

**PT 98-11**

**Tax Type: PROPERTY TAX**

**Issue: Religious Ownership/Use**

**STATE OF ILLINOIS  
DEPARTMENT OF REVENUE  
OFFICE OF ADMINISTRATIVE HEARINGS  
SPRINGFIELD, ILLINOIS**

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**SOUTHSIDE CHRISTIAN CHURCH**

**Applicant**

**v.**

**THE DEPARTMENT OF REVENUE  
OF THE STATE OF ILLINOIS**

**Docket # 96-50-51**

**Parcel Index # 22-14-421-017**

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**RECOMMENDATION FOR DISPOSITION**

**Synopsis:**

The hearing in this matter was held on December 9, 1997, at the James R. Thompson Center, 100 West Randolph Street, Chicago, Illinois to determine whether or not LaSalle County Parcel Index No. 22-14-421-017 qualified for exemption from real estate taxation for the 1996 assessment year.

Rev. Lloyd Ludwick, senior pastor of the Southside Christian Church, (hereinafter referred to as the "Applicant") was present and testified on behalf of the applicant.

The issues in this matter include, first, whether the applicant is a religious organization; secondly, whether the applicant owned this parcel during the 1996 assessment year; and lastly, whether the applicant used this parcel for religious purposes during the 1996 assessment year. Following the submission of all of the evidence and a review of the record, it is determined that the applicant is a religious organization which owned this parcel and the residence thereon during the period October 15, 1996, through December 31, 1996. It is further determined that

the applicant used this parcel and the residence thereon for religious purposes during the period October 15, 1996, through December 31, 1996.

Findings of Fact:

1. The jurisdiction and position of the Illinois Department of Revenue (hereinafter referred to as the "Department") in this matter, namely that the parcel here in issue did not qualify for exemption for the 1996 assessment year, was established by the admission in evidence of Department's Ex. Nos. 1 through 6A.

2. Rev. Ludwick stated that he recalled that at the pre-trial conference held on November 3, 1997, the Administrative Law Judge had advised him that it would be appropriate for him to be represented by legal counsel at the hearing. Rev. Ludwick stated that he wished to proceed without counsel. (Tr. p. 12)

3. The applicant was incorporated on December 13, 1959, pursuant to the Religious Corporation Act of Illinois. (Appl. Ex. No. 2)

4. During 1996, the applicant held worship services every Sunday morning at 10:30 A.M. in the church sanctuary. (Tr. p. 12)

5. During 1996, the applicant had approximately 150 members and an average attendance at worship of 85. (Tr. p. 13)

6. The applicant acquired the parcel here in issue and the residence thereon on October 15, 1996. (Dept. Ex. No. 2A)

7. The second Sunday after this parcel was acquired, the applicant began holding Sunday School in the residence on this parcel on Sunday morning. Before the applicant was able to begin holding Sunday School in this residence, it was necessary to remove some carpet, to put a chalk board on the wall, and to move in some tables and chairs. (Tr. pp. 19 & 20)

8. During October 1996, a walkway was constructed from the church parking lot to the house on this parcel. Also the electric service for the applicant's church sign was buried across this parcel. ( Appl. Ex. No. 18)

9. During the period of October 15, 1996, through December 31, 1996, the applicant used the garage on this parcel for the storage of church owned property, including the lawn mower and wood for the lighted nativity scene. (Tr. p. 27)

10. On or about February 16, 1997, the applicant called Brian Medaris to be associate minister of youth for the applicant. (Appl. Ex. No. 20)

11. Pursuant to the applicant's constitution, the congregation of the applicant voted to call Brian Medaris as associate minister of youth. (Tr. p. 28)

12. The call document provides that Brian Medaris receives a salary of \$125.00 per week and is required to live in the house on this parcel. The house is furnished to him at no charge and the applicant pays the utilities. (Appl. Ex. No. 20)

13. Brian Medaris has no ownership interest in the house on this parcel. (Dept. Ex. No. 2K)

14. After Brian Medaris moved into the house on this parcel, the Sunday School has continued to meet in the house. There also is a Bible study that meets in the house on this parcel on Sunday evenings. (Tr. p. 21)

15. During the first half of 1997, this parcel was used for the Sunday School Easter egg hunt, as a lesson and play area for Vacation Bible School, and by the church youth group. (Appl. Ex. No. 18)

16. After February 16, 1977, Brian Medaris stored his canoe in the garage on this parcel along with the lawn equipment and the wood for the lighted nativity scene. (Tr. pp. 27 & 28)

#### Conclusions of Law:

Article IX, Section 6, of the Illinois Constitution of 1970, provides in part as follows:

The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes.

35 ILCS 200/15-40 provides as follows:

All property used exclusively for religious purposes, or used exclusively for school and religious purposes, or for orphanages and not leased or otherwise used with a view to profit, is exempt, including all such property owned by churches or religious institutions or denominations and used in conjunction therewith as housing facilities provided for ministers (including bishops, district superintendents and similar church officials whose ministerial duties are not limited to a single congregation), their spouses, children and domestic workers, performing the duties of their vocation as ministers at such churches or religious institutions or for such religious denominations, and including the convents and monasteries where persons engaged in religious activities reside.

A parsonage, convent or monastery or other housing facility shall be considered under this Section to be exclusively used for religious purposes when the church, religious institution, or denomination requires that the above listed persons who perform religious related activities shall, as a condition of their employment or association, reside in the facility.

It is well settled in Illinois that when a statute purports to grant an exemption from taxation, the fundamental rule of construction is that a tax exemption provision is to be construed strictly against the one who asserts the claim of exemption. International College of Surgeons v. Brenza, 8 Ill.2d 141 (1956). Whenever doubt arises, it is to be resolved against exemption, and in favor of taxation. People ex rel. Goodman v. University of Illinois Foundation, 388 Ill. 363 (1944). Finally, in ascertaining whether or not a property is statutorily tax exempt, the burden of establishing the right to the exemption is on the one who claims the exemption. MacMurray College v. Wright, 38 Ill.2d 272 (1967).

I conclude, based on the deed, that the applicant acquired the parcel here in issue on October 15, 1996. Within two weeks the applicant began to use the residence on this parcel for religious purposes, a Sunday School class. This use I conclude continued through December 31, 1996. In addition, I conclude that the applicant used the parcel and the garage for religious or church related purposes during the period October 15, 1996, through December 31, 1996.

I therefore conclude that LaSalle County Parcel Index No. 22-14-421-017 qualified for exemption from real estate taxation during the period October 15, 1996, through December 31, 1996, since it was used for religious purposes during that period.

I therefore recommend that LaSalle County Parcel Index No. 22-14-421-017 and the improvements thereon be exempt from real estate taxation for 21% of the 1996 assessment year.

The LaSalle County Board of Review acted on March 10, 1997, on this Religious Application for Property Tax Exemption To Board of Review. I take Administrative Notice that the LaSalle County Board of Review was sitting to consider applications for exemption for the 1996 assessment year on that date. The Department's jurisdiction to make determinations of exemption is limited to the year for which the Board of Review is sitting, pursuant to 35 **ILCS** 200/16-70. Consequently the above recommendation for exemption of 21% of the 1996 assessment year is all that I may consider.

The evidence presented at the hearing indicates that the use of this parcel changed on or about February 16, 1997, when Brian Medaris began to live in the house on this parcel. Since this constituted a change of use pursuant to 35 **ILCS** 200/9-185 the applicant needs to reapply for exemption of this parcel, for the 1997 assessment year alleging that it is being used as a parsonage. I take Administrative Notice that as of the date of this recommendation, the LaSalle County Board of Review is still sitting to consider 1997 assessment year exemption requests.

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George H. Nafziger  
Administrative Law Judge

January 14, 1998